

**RECORD OF THE MINUTES OF THE
FINANCE AND AUDIT COMMITTEE OF THE
BEAUMONT CHERRY VALLEY WATER DISTRICT
December 2, 2010**

CALL TO ORDER, ROLL CALL

Chairman Ball called the meeting to order at 4:00 p.m., 560 Magnolia Avenue, Beaumont, California. Those responding to roll call were Directors Ball and Ross. Staff present at this meeting was Interim General Manager, Anthony Lara, Controller, Amelia Toledo and Executive Assistant Blanca Marin. Public present at this meeting were Patsy Reeley, Luwana Ryan, and Frances Flanders.

PUBLIC INPUT

No public input was presented at this time.

1. Adoption and Adjustment of Agenda (additions and/or deletions)

The agenda was modified to address Item 3C and Items 4A & B to excuse Mrs. Toledo from the meeting. Page 27 was also added to the agenda under the Month End Report.

2. Review and Acceptance of November 4, 2010 Minutes of the Finance and Audit Committee

The Minutes of November 4, 2010 were accepted as presented.

3. Financial Reports/Recommendations
 - a. Review of Invoices for the Month of November 2010

Chairman Ball requested that Staff request information from JPIA in regards of health insurance and compare prices versus the current CalPers Insurance.

After review, the Committee recommended presenting the November 2010 Invoices to the Board for approval.

- b. Review of November 2010 Invoices Pending Approval

After review, the Committee recommended sending the November 2010 Invoices Pending to the Board.

- c. Review of the October 2010 Financial Statement

Controller Toledo reported on this item explaining at length the Inventory and Depreciation line items. She further answered questions from the Committee and the public.

4. Action List Updates/Recommendations

- A. Amelia Toledo- Review and recommendation regarding employment status of Board Members for IRS and Social Security

Controller Toledo reported that as a recommendation of the Auditor, Board Members will become part of the District's payroll system starting January 1, 2011.

- B. Amelia Toledo- Review and recommendation regarding Employee's District Housing Rentals**

Controller Toledo reported on this item indicating that a letter will be sent to the IRS requesting the IRS Ruling as to what needs to be taxed. She indicated that if it needs to be done then an appraisal needs to be done on all the District houses and the tenants will start paying what is required according to the results of the appraisal.

5. Action List

Controller Toledo- Send letter to the IRS requesting ruling on the tax requirements for the District houses.

Controller Toledo- Request information regarding lower cost of health insurance- CalPers vs JPIA

ADJOURNMENT

Chairman Ball adjourned the meeting at 4:50 p.m.

Dr. Blair Ball

Dr. Blair Ball, President of the
Finance & Audit Committee of the
Beaumont Cherry Valley Water District